

Choosing Your First Product to Sell

This is actually one of the longer tutorials in the course and it's the part that will probably take you the most time. Once you've done this once and it's time to choose your second, third product and beyond, you will do it in a day or less. But this first time may well take you a week or so to complete (maybe even a few weeks!) and that's okay. This is not a race!

So the first thing we are going to do, is head on over to Amazon.com (or the marketplace you plan to sell on).

On the left and towards the top of the screen, click on 'Departments'

You will be redirected to a page that lists all the selling categories on Amazon

Ignore Amazon Video, Amazon Music, Prime Photo, Appstore, Kindle, Echo, Fire, Books, Home Services and Credit Products.

There are also some categories that are 'restricted'. Meaning that you need approval to sell in these categories. For now, because we want to make things as easy as possible, we will not be looking for products to sell in restricted categories.

Restricted Categories:

- Beauty
- Clothing & Accessories
- Automotive & Powersports
- Jewelry
- Health & Personal Care
- Grocery & Gourmet Foods
- Industrial & Scientific

See the full list here

https://sellercentral.amazon.com/gp/help/external/200332540?language=en-US&ref=efph_200332540_cont_200333160

NOTE: This list is constantly changing. As of right now, Health & Personal care is listed as NOT requiring approval, but that's a little bit misleading because you still need approval to sell the individual products within that category.

[See the lesson on How to Find Out if Your Product Needs Approval]

There are still plenty of categories and thousands - in fact millions of products to choose from. For this demonstration we will use the 'Home, Garden & Tools' category.

You're going to be selecting 3 products. Ultimately you will only be choosing one of those, but you will select 3 because when we move onto the next module (Finding a supplier), you want to have plenty of options. We're going to avoid seasonal items as well for our first product.

I'm going to click on 'Pet Supplies' under 'Home Garden & Tools'

Then I'm going to narrow it down by clicking one the sub-categories along the top. 'Birds'

Amazon has categorized the different types of bird supplies and you want to avoid anything edible, anything liquid and anything bulky in size or heavy. So we don't want food or treats, but we might want toys and although we don't want cages, we might want accessories. Let's take a look at toys.

So now we've drilled down a bit to a smaller category within a category, it's time to apply a few rules to selecting our product

Product Selection Criteria

- Non Perishable
- Reasonably lightweight
- Small (not bulky)
- Not made of or containing glass (although small amounts of non-fragile glass is okay, for example glass beads or magnifiers)
- Does not go in the body or on the body (not edible or topical)
- Priced between \$15.99 and \$40 (approximately)

Non-perishable because as a new seller, you don't want to have 'use by' or 'sell by' dates to worry about. Lightweight for shipping costs. Small and not bulky, again primarily for shipping costs. No glass because there are certain regulations in place for the shipping of glass products or products containing glass. Anything that is swallowed or applied topically has liability implications and other considerations. Price is in relation to profit margins and costs - more on that later.

So back to Pet supplies - Bird Supplies - Toys

There are a few on this page that catch my eye, but right away I'm drawn to the Bonka Bird Toys 1750 Clacker Bird Toy parrot cage toys cages african grey amazon conure cockatoo'

<https://www.amazon.com/Bonka-Bird-Toys-1750-cockatoo/dp/B00GX4GCZE>

That's actually a terrible title because it doesn't even make sense, but we're not interested in that, we're interested in whether the actual product fits our criteria.

The pricing is right and it looks fairly lightweight at first glance. So let's click on that one and take a look

Scroll down to the 'Product Details' section

We can see the shipping weight is 8 ounces. That's acceptable. It looks a little big, but that will be the size when it's hung up in the cage. The box it comes in will be smaller than that.

We need to look at the Amazon Best Seller Rank, or BSR for short. We are only interested in the BSR for the top level category. That would be 'Pet Supplies' in this case. The lower the BSR, the more of that product is being sold on a daily basis. So a BSR of 1 would mean that product is the top selling item in its category and selling 100's (even 1000's) of units a day.

It's important to know that not all categories sell the same volume of product. Meaning that a BSR of 10,000 in one category might only mean that product is selling one or two units a day. Whereas in another category, it could mean 50 units a day. What I CAN tell you is that in the Pets category, in order to sell 20 - 30 units a day, you want a BSR of around 1200 - 1500. So this BSR for the Clacker Bird Toy is too high. However, we don't give up yet. We can still find out if parrot toys or bird toys in general have potential...

...So I'm going to click on 'Pet Supplies > Birds > Toys' to see the best sellers in Bird Toys

At the time of creating this handout, the #1 best seller in bird toys has a BSR of 1115, which is very good and it's probably selling about 40 units a day. However, this product is too cheap for us, we need to sell at \$15.99 or above, so let's go back to the bestselling bird toy list.

The 7th bestselling bird toy is selling for \$15.99. However, when we look at the BSR, it's over 4000 and we already know that we need to do better than this in this particular category - Pets.

<https://www.amazon.com/Creative-Foraging-Intelligence-Acrylic-4x2-8x4-8inch/dp/B01ISMZO5C>

What we can conclude from this, is that bird toys are probably not going to fit our criteria. We've seen that in order to have the potential to sell enough units a day, a bird toy needs to be in the very top few best-selling bird toys. However, we've been able to establish that the top few best sellers in bird toys, are toys that sell for less than \$15.99.

So the bottom line is that in general, people want cheap bird toys, and while SOME people are certainly buying the more expensive bird toys, most of them are buying the cheaper toys.

Back to the drawing board

Sticking with Pet Supplies, we can now choose a different sub-category. This time let's try Cats. Let's go for Toys again and Laser Toys.

Right away we can see some laser toys that fit our price criteria.

Clicking on the 'PetSafe Bolt Interactive Laser Cat Toy' at \$17.95 and scrolling down to Product Details, I can see that this product has a BSR of 418. This is excellent because it's low enough to tell us that it's selling well, therefore lots of people are happy to pay in the \$17 - \$18 range for a cat laser toy. It's also fairly lightweight and not too bulky.

<https://www.amazon.com/PetSafe-Bolt-Interactive-Laser-Cat/dp/B0021L8W6K>

This is a product that I would personally research further - yes, we're not done yet, there's still more to do before deciding on a product.

Next we're going to head on over to a website called FBA Toolkit

<https://fbatoolkit.com>

Enter a BSR into the results box for the associated category and get an estimated number of sales for the last 30 days

NOTE: FBA Toolkit is free for finding sales numbers on Amazon.com only

The best way to get an estimate for other marketplaces, is as follows:

The Canadian marketplace does about 10% of the sales volume of the US marketplace. Therefore, if a product is doing 30 sales a day on the US marketplace, we can estimate that it does around 3 sales a day on the Canadian marketplace. The UK marketplace does about 25%-30% of the US marketplace, so in this case we can estimate about 10 sales a day.

A couple of questions you might be asking right now:

Firstly, how do you determine if the BSR (Best Seller Ranking) is low enough to make a product selection a viable one? Remember, the lower the BSR, the more of that particular product is getting sold. We already talked about the fact that a BSR of 10,000 in one category can be very different to a BSR of 10,000 in another category. For example, in the Cell Phones & Accessories category, a BSR of 10,000 would still give you pretty decent sales because it's a very high volume category. In contrast if you had a BSR of 10,000 and you were in the Musical Instruments category for example, you would be lucky to sell one unit a day.

So how do we know if a BSR rating is good or bad for our purpose?

Experience is one way and over time you will get to know the different categories and the sorts of volumes that each category does. To begin with though, since you probably don't have that experience, you can use FBA Toolkit to get an idea of sales volume.

Additionally, to help you out further, I've ranked the highest volume Amazon categories in order of estimated sales volume. The highest volume category at the top:

- Health and Personal Care
- Sports and outdoors
- Toys and games
- Beauty (restricted category)
- Cell Phone and Accessories
- Kitchen and Dining
- Home and Kitchen
- Home Improvement
- Office Products
- Pet Supplies
- Patio Lawn and Garden
- Baby

The SECOND question you may be asking right now is....

Why not just head straight for the category Best Seller Lists?

(Category Best Seller Lists can be found at the top of the page when you click on any top level category and they show the top 100 bestselling items in a category.)

The reason we don't do this, is competition. There will always be some competition and this is good, but the competition in the top 100 best sellers is usually very high. For example, if you click on Department' - 'Home & Kitchen' - 'Best Sellers' and look down the page, you will see products with 1000's of reviews. These products are often big brand names as well, such as Brita and Thermos. That's not to say that you shouldn't ever consider looking for products in the Best Sellers lists, but by drilling down to sub-categories and doing a bit of 'digging', we can uncover profitable products that fit our criteria without going up against too much fierce competition.

Alright, now it's your turn. **You already know more about selecting profitable products to sell, than 90% of Amazon sellers currently on the platform.** Go ahead and locate three potential products that fit all of the criteria. Here they are:

- Category is not digital, Kindle, Apps, Services, Amazon exclusive or restricted

- Price is between approx. \$15.99 and \$40 (do not go below \$15.99)
- Lightweight (less than 10 oz.)
- Small
- Does not contain glass
- Is not perishable
- Does not go in the body or on the body (not edible or topical)
- Is not in the top 100 Best Seller list for the category